INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
We make Indiana a cleaner, healthier place to live.

Joseph E. Kernan
Governor

Lori F. Kaplan
Commissioner

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Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
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August 10, 2004

TO: Interested Parties / Applicant

RE: PSI - Energy, Edwardsport Generating Station / 083-10322-00003

FROM: Paul Dubenetzky
Chief, Permits Branch
Office of Air Quality

Notice of Decision – Approval

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to 326 IAC 2, this approval was effective immediately upon submittal of the application.

If you wish to challenge this decision, IC 4-21.5-3-7 requires that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204, **within eighteen (18) calendar days from the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

(1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
(2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
(3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

(1) the name and address of the person making the request;
(2) the interest of the person making the request;
(3) identification of any persons represented by the person making the request;
(4) the reasons, with particularity, for the request;
(5) the issues, with particularity, proposed for considerations at any hearing; and
(6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.

Enclosures
FNPER-AM.dot 9/16/03

Phase II
Acid Rain Permit

Office of Air Quality

Source:	Edwardsport Generating Station
Address:	State Road 67, Edwardsport, IN 47258
Owner:	PSI Energy, Inc.
Operator:	PSI Energy, Inc.
ORIS Code:	1004
Effective:	January 1, 2000 through December 31, 2004

This permit is issued to the above operator
under the provisions of 326 Indiana Administrative Code (IAC) 21.

Operation Permit No.: AR 083-5207-00003	
Original signed by Felicia R. George Assistant Commissioner, Office of Air Quality	Issuance Date: December 31, 1997

Permit Revision No.: 083-10322-00003	Pages Affected: All
Issued by: Original Signed by Paul Dubenetzky, Branch Chief Office of Air Quality	Issuance Date: August 10, 2004

Title IV Operating Conditions

Title IV Source:

Unit 6-1:	oil fired boiler with anticipated heat input of 540 MMBTU/hour,
Unit 7-1:	coal fired boiler with anticipated heat input of 540 MMBTU/hour,
Unit 7-2:	coal fired boiler with anticipated heat input of 540 MMBTU/hour, and
Unit 8-1:	coal fired boiler with anticipated heat input of 540 MMBTU/hour.

The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.

1. Statutory and Regulatory Authority

In accordance with Indiana Code (IC) 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Title IV of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 Code of Federal Regulations (CFR) 72 through 78).

2. Standard Permit Requirements [326 IAC 21]

(a) The designated representative has submitted a complete Phase II Acid Rain permit application in accordance with the deadlines in 40 CFR 72.30.

(b) The owners and operators of each affected source and each affected unit shall operate the unit in compliance with this Phase II permit.

3. Monitoring Requirements [326 IAC 21]

(a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 75 and 76.

(b) The emissions measurements shall be recorded and reported in accordance with 40 CFR 75 and 76 to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

(c) The requirements of 40 CFR 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or emissions characteristics at the unit required by the Clean Air Act and any provisions of the operating permit for the source.

4. Sulfur Dioxide Requirements [326 IAC 21]

(a) The owners and operators of each source and each affected unit at the source shall:

(1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR

72.2), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and,

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

(b) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.

(c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirement as follows:

(1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or

(2) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).

(d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

(e) An allowance shall not be deducted in order to comply with the requirements under paragraph (a)(1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.

(f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain Permit application, the Acid Rain Permit, the Acid Rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(g) Pursuant to 40 CFR 72.9(c)(7), an allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.

(h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)].

(i) No limit shall be placed on the number of allowances held by an affected source. An affected source may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]

(j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

SO_2 Allowance Allocations (tons) *					
	2000	2001	2002	2003	2004
Unit 6-1	0	0	0	0	0
Unit 7-1	347	347	347	347	347
Unit 7-2	354	354	354	354	354
Unit 8-1	375	375	375	375	375

***** The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3 and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO_2 allowance allocations identified in this permit (See 40 CFR 72.84).

5. Nitrogen Oxides Requirements [326 IAC 21]

(a) The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides (NO_X) of 40 CFR 76.5, 76.6 and 76.7, and reference in 326 IAC 21.

(b) NO_X Emission Averaging Plan

(1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) approves the NO_X emissions averaging plans for the following units, effective from calendar years 2000 through 2004. Under the plans, each unit's NO_X emission rate shall not exceed the annual average alternative contemporaneous emission limitations.

In addition, units with contemporaneous limits higher than the appropriate limits of 40 CFR 76.5, 76.6 or 76.7 shall not have annual heat inputs greater than the MMBTU specified below.

Calendar Year 2000	Emission Limitation per 40 CFR 76.5, 76.6 or 76.7 (lb/MMBTU)	Alternative Limit (lb/MMBTU)	Heat Input Limit (MMBTU)
Unit 6-1*			
Unit 7-1	0.46	0.91	3,000,000
Unit 7-2	0.46	0.85	3,000,000
Unit 8-1	0.46	0.86	3,000,000

Calendar Years 2001 to 2004	Emission Limitation per 40 CFR 76.5, 76.6 or 76.7 (lb/MMBTU)	Alternative Limit (lb/MMBTU)	Heat Input Limit (MMBTU)
Unit 6-1*			
Unit 7-1	0.46	0.82	2,333,333
Unit 7-2	0.46	0.82	2,333,333
Unit 8-1	0.46	0.82	2,333,333

* Unit 6-1 oil fired boiler is not subject to the Nitrogen Oxides Requirements.

(2) Under the plans, the actual BTU-weighted annual average NO_X emission rates for the units in the plans shall be less than or equal to the BTU-weighted annual average NO_X emission rates for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plans, then these units shall be deemed to be in compliance for that year with their alternative contemporaneous annual emission limitations and annual heat input limits.

(3) The BTU weighted annual emission rate average over the units if they are operated in accordance with the proposed averaging plans = BTU weighted annual average emission rate for same units operated in compliance with 40 CFR 76 = 0.49

(4) In addition to the described NO_X compliance plans, each unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_X compliance plan and requirements covering excess emissions.

(5) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved these averaging plans.

(c) The following is the list of sources participating in the NO_X Averaging Plan as submitted December 21, 2000:

NO_X Averaging Plan Calendar Years 2000 to 2004			
Source Names	No. of Units	Source Names	No. of Units
Cayuga, IN	2	East Bend, KY	1
Edwardsport, IN	3	Miami Fort, OH	5
Gallagher, IN	4	Walter C. Beckjord, OH	6
Gibson, IN	5		
Noblesville, IN	3	Total No. of Units	35
Wabash River, IN	6	Total No. of Sources	9

(d) The source may revise the NO_x Averaging plan following the procedure in 40 CFR 76.

6. Excess Emissions Requirements [326 IAC 21]

(a) The designated representative of an affected unit that has excess emissions, as defined in 40 CFR 72.2, in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.

(b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
Air Compliance Section I, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
and
Ms. Cecilia Mijares
Air and Radiation Division
U.S. Environmental Protection Agency, Region V
77 West Jackson Boulevard
Chicago, IL 60604-3590
and
U.S. Environmental Protection Agency
Clean Air Markets Division
1200 Pennsylvania Avenue, NW
Mail Code (6204N)
Washington, DC 20460

(c) The owners and operators of an affected unit that has excess emissions, as defined in 40 CFR 72.2, in any calendar year shall:

(1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,

(2) Comply with the terms of an approved offset plan, as required by 40 CFR 77 and 326 IAC 21.

7. Record Keeping and Reporting Requirements [326 IAC 21]

(a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:

(1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;

(2) All emissions monitoring information collected in accordance with 40 CFR 75 shall be retained on site for 3 years.

(3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and

(4) Copies of all documents used to complete an Acid Rain Permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21.

8. Submissions [326 IAC 21]

(a) The designated representative shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.

(b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
Permit Administration Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
and
U.S. Environmental Protection Agency
Clean Air Markets Division, Mail Code (6204N)
1200 Pennsylvania Avenue, NW
Washington, DC 20460

(c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.

(d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statement which shall be included verbatim in the submission:

(1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made."; and,

(2) "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(e) The designated representative of a source shall notify each owner and operator of the source and of an affected unit at the source:

(1) By the date of submission, of any Acid Rain Program submissions by the designated representative;

(2) Within 10 business days of receipt of any written determination by U.S. EPA or IDEM, OAQ; and,

(3) Provided that the submission or determination covers the source or the unit.

(f) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under subcondition (e) of this condition, unless the owner or operator expressly waives the right to receive a copy.

9. Severability [326 IAC 21]

Invalidation of the acid rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any other portion of the operating permit affect the continuing validity of the acid rain portion of the permit [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)].

10. Liability [326 IAC 21]

(a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and by IDEM pursuant to 326 IAC 21 and IC 13-30-3.

(b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.

(c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

(e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.

(f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(g) Each violation of a provision of 40 CFR Parts 72, 73, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

No provision of the Acid Rain Program, an acid rain permit application, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(a) Except as expressly provided in Title IV of the Clean Air Act (42 U.S.C. 7651 to 7651(o)), exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;

(c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;

(d) Modifying the Federal Power Act (16 U.S.C. 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

(e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

Acid Rain Phase II Certification

Source: Edwardsport Generating Station
Address: State Road 67, Edwardsport, IN 47258
Owner: PSI Energy, Inc.
Operator: PSI Energy, Inc.
ORIS Code: 1004
Effective: January 1, 2000 through December 31, 2004

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. **I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.** **Signature:**
Designated Representative **Printed Name:**
Title/Position:
Telephone:
Date:

Indiana Department of Environmental Management
Office of Air Quality

Technical Support Document (TSD)
for a Permit Revision of an Acid Rain Phase II Permit

Source Background and Description

Source Name:	Edwardsport Generating Station
Source Location:	State Road 67, Edwardsport, IN 47258
Mailing Address:	RR1, Box 198A, Edwardsport, IN 47258
Owner:	PSI Energy, Inc.
Operator:	PSI Energy, Inc.
Designated Representative:	Bernard Huff
ORIS Code:	1004
SIC Code:	4911
County Location:	Knox
AR Phase II Permit No.:	083-5207-00003
Issuance Date:	December 31, 1997
Effective Dates:	January 1, 2000 to December 31, 2004
AR Phase II Revision No.:	083-10322-00003
Permit Reviewer:	Iryn Calilung

History

On January 2, 1996, the Office of Air Quality (OAQ) received an Acid Rain (AR) Phase II permit application from PSI Energy, Inc. for the Edwardsport Generating Station. The OAQ issued an AR Phase II permit on December 31, 1997, under permit number AR 083-5207-00003. Phase II means the AR Program period beginning January 1, 2000 to continuing into the future thereafter. This AR Phase II permit has effective dates of January 1, 2000 to December 31, 2004. There are 4 affected units, identified as Units 6-1, 7-1, 7-2 and 8-1, in this generating station. They are subject to the AR Program, pursuant to 40 CFR 72.6.

On December 19,1997, the OAQ received a Phase II NO_X Compliance and Averaging (C&A) Plan from PSI Energy, Inc. for the Edwardsport Generating Station. The NO_x C&A Plan is indicated with effective date for calendar years 2000 to 2007, and identified the units participating in the plan. Unit 6-1 oil fired boiler is not part of the NO_X C&A Plan.

On December 21, 1998, the OAQ published a notice in the Sun Commercial, a newspaper in Vincennes, Indiana, stating that PSI Energy, Inc. had applied to modify their AR Phase II permit for the Edwardsport Generating Station. The notice also indicated that OAQ has drafted the revision to incorporate the NO_X C&A Plan and was available for review. In addition to the hard copies available in the OAQ, Indianapolis office location, they were also made available in the Knox County Library, 502 North 7th Street, Vincennes, Indiana. The notice informed interested parties that there was a period of thirty (30) days to provide comments on whether the modification should be issued as proposed. On January 22, 1999, PSI Energy, Inc. submitted comments on the draft AR Phase II permit revision. The revision was not finalized.

On November 23, 1999, the OAQ received for the second time a revised NO_x C&A Plan from PSI Energy, Inc. for the Edwardsport Generating Station. The revision is for the effective date of calendar years 2000 to 2004 involving the same affected units as indicated in the initial NO_x

C&A Plan .

On January 25, 2001, the OAQ received another revised NO_x C&A Plan. This NO_x C&A Plan is significantly different from the previous 2 versions and the plan is for calendar years 2001 to 2004. Since the draft permit revision was not finalized yet, the updated NO_X C&A Plan will be incorporated to the revision.

NO_X Compliance and Averaging Plan

Tables 1 and 2 below summarize the NO_X C&A Plan.

Table 1

	Original Plan Received on December 19, 1997 Plan is for calendar years 2000 to 2007			Revised Plan Received on January 25, 2001 Plan is for calendar years 2001 to 2004		
	Revised Plan Received on November 23, 1999 Plan is for calendar years 2000 to 2004					
	Emission Limit (lb/MMBTU)	Alternative Limit (lb/MMBTU)	Heat Input Limit (MMBTU)	Emission Limit (lb/MMBTU)	Alternative Limit (lb/MMBTU)	Heat Input Limit (MMBTU)
Unit 6-1						
Unit 7-1	0.46	0.91	3,000,000	0.46	0.82	2,333,333
Unit 7-2	0.46	0.85	3,000,000	0.46	0.82	2,333,333
Unit 8-1	0.46	0.86	3,000,000	0.46	0.82	2,333,333

Unit 6-1 oil fired boiler is not subject to the Nitrogen Oxides Requirements.

The BTU weighted annual emission rate average over the units if they are operated in accordance with the proposed averaging plan = BTU weighted annual average emission rate for same units operated in compliance with 40 CFR 76 = 0.49

Table 2

List of Sources Participating in the NO_X Averaging Plan, as submitted in December 21, 2000
Calendar Years 2000 to 2004

Source Names	No. of Units	Source Names	No. of Units
Cayuga, IN	2	East Bend, KY	1
Edwardsport, IN	3	Miami Fort, OH	5
Gallagher, IN	4	Walter C. Beckjord, OH	6
Gibson, IN	5		
Noblesville, IN	3	Total No. of Units	35
Wabash River, IN	6	Total No. of Sources	9

Recommendation

Since it has been almost four years when the draft AR Phase II permit revision was made available to the public for review, OAQ decided that the re-evaluation of the revision to

incorporate the latest NO_X C&A Plan be provided again to the public for review and re-published the notice in the Sun Commercial Newspaper.

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

Revisions to the Phase II Permit

The following are the proposed revisions to the AR Phase II Permit No. 083-5207-00003, issued on December 31, 1997. For emphasis, proposed changes are shown in strike out or **bold** font.

(1) All references to the Office of Air Management have been changed to the Office of Air Quality. Also, all references to OAM have been changed to OAQ.

(2) To clarify who the owner and operator of the Edwardsport Generating Station, the following has been added to the cover page of the permit.

Source:	Edwardsport Generating Station
Address:	Jackson Street, New Albany, IN 47150
Owner:	**PSI Energy, Inc.**
Operator:	PSI Energy, Inc.
ORIS Code:	1004
Effective:	January 1, 2000 through December 31, 2004

(3) The cover page of the permit has been revised as follows:

This permit is issued to the above operator under the provisions of 326 Indiana Administrative Code (IAC) 21. ~~the above corporation is hereby authorized to operate subject to the conditions contained herein, these facilities: Units 6-1, 7-1, 7-2 and 8-1.~~

(4) The original AR Phase II permit in general terms indicated the affected units as Units 6-1, 7-1, 7-2 and 8-1. Detailed description will be added, and the following statement will also be added:

Title IV Source

Unit 6-1: oil fired boiler with anticipated heat input of 540 MMBTU/hour,

Unit 7-1: coal fired boiler with anticipated heat input of 540 MMBTU/hour,

Unit 7-2: coal fired boiler with anticipated heat input of 540 MMBTU/hour, and
Unit 8-1: coal fired boiler with anticipated heat input of 540 MMBTU/hour.

The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.

(5) The Statement of Basis condition was revised as follows:

1~~)~~. ~~Statement of Basis~~
Statutory and Regulatory Authority

In accordance with **Indiana Code (**IC**)** 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Title~~s~~ IV ~~and V~~ of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air ~~Management~~ **Quality** (OA~~M~~**Q**) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 **Code of Federal Regulations (**CFR**)** 72 through 78).

(6) Since the Standard Permit Requirements condition of the permit has already been fulfilled, the following changes were made:

2. Standard **Permit** Requirements [326 IAC 21] [40 CFR 72.9?]

(a) ~~The designated representative of each affected source and each affected unit at the source shall:~~

~~(1) Submit a complete Acid Rain Permit application, by submitting a sulfur dioxide application and a nitrogen oxide compliance plan under 40 CFR 72 before January 1, 1998; and~~

~~(2) Submit in a timely manner any supplemental information that IDEM, OAM determines is necessary in order to review an Acid Rain Permit application or an Acid Rain portion of an operation permit application and issue or deny an Acid Rain Permit;~~

~~Information required by (1) and (2) above shall be submitted to: Indiana Department of Environmental Management, Permits Branch, Office of ir Management, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015~~

The designated representative has submitted a complete Phase II Acid Rain permit application in accordance with the deadlines in 40 CFR 72.30.

(b) The owners and operators of each affected source and each affected unit shall~~:~~ ~~(1)~~ operate the unit in compliance with **this Phase II permit** ~~a complete Acid Rain Permit application or a superseding Acid Rain Permit issued by the IDEM, OAM~~.

(7) In order to correct the Monitoring Requirement of the permit, to show that the monitoring requirements of 40 CFR 74 do not apply to this source, the following changes were made:

3. Monitoring Requirements [326 IAC 21]

(a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR ~~74,~~ 75 ~~,~~ and 76.

(b) The emissions measurements **shall be** recorded and reported in accordance with 40 CFR 75 and 76 ~~shall be used~~ to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

(c) The requirements of 40 CFR ~~74 and~~ 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or emissions characteristics at the unit required by the Clean Air Act and any provisions of the operating permit for the source.

(8) Due to change in re-allocation made by US EPA in October, 1998, and to incorporate

the revised SO_2 Allocation of Allowances, the following changes were made to the Sulfur Dioxide Requirements of the permit:

4. Sulfur Dioxide Requirements [326 IAC 21]

(a) The owners and operators of each source and each affected unit at the source shall:

(1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR **72.2** ~~73.35~~), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and,

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

(b) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.

(c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirement as follows:

(1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or

(2) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).

(d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

(e) An allowance shall not be deducted in order to comply with the requirements under paragraph (a)(1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.

(f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain Permit application, the Acid Rain Permit, the Acid Rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(g) **Pursuant to 40 CFR 72.9(c)(7),** an allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.

(h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)].

(i) No limit shall be placed on the number of allowances held by an affected source. An affected source may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of

the Acid Rain Program. [326 IAC 2-7-5(4)(B)]

(j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

~~SO_2 Allowance Allocations for Unit 6-1~~
~~(1) 1998 - Not applicable~~
~~(2) 1999 - Not applicable~~
~~(3) 2000 - 0~~
~~(4) 2001 - 0~~
~~(5) 2002 - 0~~
~~(6) 2003 -0~~
~~(7) 2004 - 0~~

~~SO_2 Allowances for Unit 7-1~~
~~(1) 1998 - Not applicable~~
~~(2) 1999 - Not applicable~~
~~(3) 2000 - 345*~~
~~(4) 2001 - 345*~~
~~(5) 2002 - 345*~~
~~(6) 2003 - 345*~~
~~(7) 2004 - 345*~~

~~SO_2 Allowances for Unit 7-2~~
~~(1) 1998 - Not applicable~~
~~(2) 1999 - Not applicable~~
~~(3) 2000 - 351*~~
~~(4) 2001 - 351*~~
~~(5) 2002 - 351*~~
~~(6) 2003 - 351*~~
~~(7) 2004 - 351*~~

~~SO_2 Allowances for Unit 8-1~~
~~(1) 1998 - Not applicable~~
~~(2) 1999 - Not applicable~~
~~(3) 2000 - 372*~~
~~(4) 2001 - 372*~~
~~(5) 2002 - 372*~~
~~(6) 2003 - 372*~~
~~(7) 2004 - 372*~~

SO_2 Allowance Allocations (tons)*					
	2000	**2001**	**2002**	**2003**	**2004**
Unit 6-1	**0**	**0**	**0**	**0**	**0**
Unit 7-1	**347**	**347**	**347**	**347**	**347**
Unit 7-2	**354**	**354**	**354**	**354**	**354**
Unit 8-1	**375**	**375**	**375**	**375**	**375**

* The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3 and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO_2 allowance allocations identified in this permit (See 40 CFR 72.84).

(9) In order to incorporate the terms of the revised Nitrogen Oxides Averaging Plan, the following changes have been made to the Nitrogen Oxides Requirements of the permit:

5. Nitrogen Oxides Requirements [326 IAC 21]

(a) The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides (NO_X) **of 40 CFR 76.5, 76.6 and 76.7, and reference in 326 IAC 21.**

~~(b) The designated representative shall submit a timely and complete permit application and compliance plan for NOx emissions for each Phase II affected unit at the source to IDEM, OAM, and U.S. EPA by January 1, 1998, in~~

~~accordance with 40 CFR 76.9.~~
~~The designated representative shall submit required information to:~~
~~Indiana Department of Environmental Management~~
~~Compliance Data Section, Office of Air Management~~
~~100 North Senate Avenue, P.O. Box 6015~~
~~Indianapolis, Indiana 46206-6015~~
~~and~~
~~U.S. Environmental Protection Agency~~
~~Acid Rain Program (6204J)~~
~~Attn.: Phase II NOx~~
~~401 M Street, SW~~
~~Washington, D.C. 20460~~

~~(c) After receipt of the required information, IDEM, OAM will reopen and revise the Acid Rain portion of the source's operating permit to add Acid Rain Program NOx requirements, in accordance with 40 CFR 76.~~

~~(d) The reopening in (c) shall not affect the term of the acid rain portion of the source's operating permit. [40 CFR 72.85(d)]~~

~~(e) Upon application by a source and approval by the Commissioner, an Alternative Emissions Limit (AELs) may be granted to a unit in accordance with 40 CFR 76.10.~~

(b) NO_x Emission Averaging Plan

(1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) approves the NO_x emissions averaging plans for the following units, effective from calendar years 2000 through 2004. Under the plans, each unit's NO_x emission rate shall not exceed the annual average alternative contemporaneous emission limitations.

In addition, units with contemporaneous limits higher than the appropriate limits of 40 CFR 76.5, 76.6 or 76.7 shall not have annual heat inputs greater than the MMBTU specified below.

Calendar Year 2000	Emission Limitation per 40 CFR 76.5, 76.6 or 76.7 (lb/MMBTU)	Alternative Limit (lb/MMBTU)	Heat Input Limit (MMBTU)
Unit 6-1*			
Unit 7-1	0.46	0.91	3,000,000
Unit 7-2	0.46	0.85	3,000,000
Unit 8-1	0.46	0.86	3,000,000

Calendar Years 2001 to 2004	Emission Limitation per 40 CFR 76.5, 76.6 or 76.7 (lb/MMBTU)	Alternative Limit (lb/MMBTU)	Heat Input Limit (MMBTU)
Unit 6-1*			
Unit 7-1	0.46	0.82	2,333,333
Unit 7-2	0.46	0.82	2,333,333
Unit 8-1	0.46	0.82	2,333,333

*** Unit 6-1 oil fired boiler is not subject to the Nitrogen Oxides Requirements.**

(2) Under the plans, the actual BTU-weighted annual average NO_X emission rates for the units in the plans shall be less than or equal to the BTU-weighted annual average NO_X emission rates for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plans, then these units shall be deemed to be in compliance for that year with their alternative contemporaneous annual emission limitations and annual heat input limits.

(3) The BTU weighted annual emission rate average over the units if they are operated in accordance with the proposed averaging plans = BTU weighted annual average emission rate for same units operated in compliance with 40 CFR 76 = 0.49

(4) In addition to the described NO_X compliance plans, each unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_X compliance plan and requirements covering excess emissions.

(5) In accordance with 40 CFR 72.40(b)(2), approval of the averaging plans shall be final only when the Ohio Environmental Protection Agency and the Kentucky Department of Environmental Protection, Division of Air Quality have also approved these averaging plans.

(c) The following is the list of sources participating in the NO_X Averaging Plan as submitted December 21, 2000:

NO_X Averaging Plan Calendar Years 2000 to 2004			
Source Names	**No. of Units**	**Source Names**	**No. of Units**
Cayuga, IN	**2**	**East Bend, KY**	**1**
Edwardsport, IN	**3**	**Miami Fort, OH**	**5**
Gallagher, IN	**4**	**Walter C. Beckjord, OH**	**6**
Gibson, IN	**5**		
Noblesville, IN	**3**	**Total No. of Units**	**35**
Wabash River, IN	**6**	**Total No. of Sources**	**9**

(d) The source may revise the NO_x Averaging plan following the procedure in 40 CFR 76.

(10) The Permittee indicated that the NO_X limits in each of the affected units cause some confusion. Affected units are in one averaging plan, thus the individual performance of each unit in the averaging plan is not as important as the overall performance of the averaging plan. The Permittee suggested to delete these NO_X limits.

IDEM, OAQ decided to retain these NO_X limits in the AR permit. Under 40 CFR 76.11(d)(1)(ii)(A), if affected units in an averaging plan comply with the total average plan as a group, then each unit will be deemed in compliance, however, if the same affected units do not demonstrate compliance with the overall averaging plan, then the individual limits will become enforceable.

(11) In order to clarify and correct the provisions of Excess Emissions Requirements of the permit, the following changes have been made: The change also includes the removal of sulfur dioxide to clarify that the Excess Emission requirement is not limited to sulfur dioxide only.

6. Excess Emissions Requirements [326 IAC 21]

(a) The designated representative of an affected unit that has excess emissions ~~of sulfur dioxide,~~ **as defined in 40 CFR 72.2,** in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OA~~M~~**Q** as required under 40 CFR 77 and 326 IAC 21.

(b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
Air Compliance Section I ~~Compliance Data Section~~, Office of Air ~~Management~~ **Quality** 100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
and
Ms. Cecilia Mijares
Air and Radiation Division
U.S. Environmental Protection Agency, Region V
77 West Jackson Boulevard
Chicago, IL 60604-3590
and
U.S. Environmental Protection Agency

Clean Air Markets Division ~~Acid Rain Program (6204J)~~
1200 Pennsylvania Avenue, NW ~~Attn.: Annual Reconciliation~~
Mail Code (6204N) ~~401 M Street, SW~~
Washington, DC 20460

(~~b~~**c**) The owners and operators of an affected unit that has excess emissions~~ of sulfur dioxide~~**, as defined in 40 CFR 72.2,** in any calendar year shall:

(1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and

(2) Comply with the terms of an approved offset plan, as required by 40 CFR 77 and 326 IAC 21.

(12) In order to clarify the Record Keeping and Reporting Requirement of the permit, the following changes have been made:

7. Record Keeping and Reporting Requirements [326 IAC 21]

(a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years**, as required by 40 CFR 72.9(f),** from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OA~~M~~**Q**:

(1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;

(2) All emissions monitoring information collected **in accordance with 40 CFR 75** shall be retained on site for 3 years ~~in accordance with 40 CFR 75.54~~.

(3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and

(4) Copies of all documents used to complete an Acid Rain Permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21.

~~Submit required information to the appropriate authority(ies) as speficied in 40 CFR 72.90 subpart I and 40 CFR 75.~~

(13) In order to correct the Submission requirements of the permit, the following changes have been made:

8. Submissions [326 IAC 21]

(a) The designated representative shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA **and IDEM, OAQ** in accordance with 40 CFR 72 and 326 IAC 21.

(b) The designated representative shall submit such required information to:

Indiana Department of Environmental Management
Permit Administration Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
and
U.S. Environmental Protection Agency
Clean Air Markets Division ~~Acid Rain Program (6204J)~~
1200 Pennsylvania Avenue, NW ~~Attn.: Designated Representative~~
Mail Code (6204N) ~~401 M Street, SW~~
Washington, DC 20460

(~~b~~**c**) Each submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.

(~~c~~**d**) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature:~~(1)~~ the following statement, which shall be included verbatim in the submission:

(1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made." and

(2) ~~The following statement which shall be included verbatim in the submission:~~ "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(~~d~~**e**) The designated representative of a source shall serve notice on each owner and operator of the source and of an affected unit at the source:

(1) By the date of submission, of any Acid Rain Program submissions by the designated representative, and

(2) Within 10 business days of receipt of a determination, of any written determination by U.S. EPA or IDEM, OA~~M~~**Q**,

(3) Provided that the submission or determination covers the source or the unit.

(~~e~~**f**) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under **sub**condition (~~d~~**e**) of this ~~section~~ condition, unless the owner or operator expressly waives the right to receive a copy.

(14) A Certification form has been added.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

Acid Rain Phase II Certification

Source:	**Edwardsport Generating Station**
Address:	**State Road 67, Edwardsport, IN 47258**
Owner:	**PSI Energy, Inc.**
Operator:	**PSI Energy, Inc.**
ORIS Code:	**1004**
Effective:	**January 1, 2000 through December 31, 2004**

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. **I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.** **Signature:**
Designated Representative **Printed Name:**
Title/Position:
Telephone:
Date:

(15) There is no change in the Severability condition.

9. Severability [326 IAC 21]
Invalidation of the acid rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any

other portion of the operating permit affect the continuing validity of the acid rain portion of the permit. [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)].

(16) The following minor changes are made to the Liability condition:

10. Liability [326 IAC 21]

(a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain Permit application, an Acid Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to Section 113(c) of the Clean Air Act and ~~shall be subject to enforcement~~ by IDEM pursuant to 326 IAC 21 and IC 13-30-3.

(b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to Section 113(c) of the Clean Air Act and 18 USC 1001 and shall be subject to criminal enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.

(c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

(e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.

(f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_X averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(g) Each violation of a provision of 40 CFR **Parts** 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

(17) There is no change made to the Effect on Other Authorities condition.

11. Effect on Other Authorities [326 IAC 21]
No provision of the Acid Rain Program, an Acid Rain Permit application, an Acid

Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;

(c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;

(d) Modifying the Federal Power Act (16 USC 791a et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

(e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

Additional Information

During the initial issuance of the AR Phase II permit, there was no supporting detailed information provided. Additional information is provided below to understand the Acid Rain Program.

(1) Program Description

The goal of Title IV of the federal Clean Air Act is to reduce the amount of sulfur dioxide and nitrogen oxides released to the atmosphere from power plants. These two pollutants play a large role in the formation of acid deposition. There are no known direct human health effects from acid deposition. Acid deposition does have a harmful effect on aquatic animals. It can also be harmful to essential soil bacteria. Additional information regarding acid deposition and the Acid Rain Program can be found on the Internet at the United States Environmental Protection Agency (U.S. EPA) site, at http://www.epa.gov/airmarkets/. Additional information in the form of maps showing the results of precipitation monitoring can be found on the Internet under http://nadp.sws.uiuc.edu.

The U.S. EPA has set a limit on the amount of sulfur dioxide emissions and the emission rate of nitrogen oxides for all regulated power plants, for each year from 2000 through 2009. The total sulfur dioxide emissions for all affected power plants in the nation have been limited to 9.4 million tons every year. That amount is 10 million tons less than the total emissions of sulfur dioxide in 1980. In 1993, U.S. EPA allocated a certain amount of sulfur dioxide emissions allowances to each power plant regulated by Phase II of the Acid Rain Program. Emissions of nitrogen oxides are being reduced by at least 2 million tons

per year, by setting limits on the emission rate of nitrogen oxides from coal-fired power plant boilers.

(2) Federal Rules

The emission allowances and conditions in this draft Phase II permit revision were taken from the limits developed by the U.S. EPA pursuant to Title IV of the Clean Air Act, 42 United States Code 7401, as amended by Public Law 101-5049 (November 15, 1990). The requirements of Title IV have been set out in regulations by U.S. EPA in parts 72 through 78 of Title 40 of the Code of Federal Regulations (CFR).

(3) Indiana's Rules

Title 326 of the Indiana Administrative Code (IAC) Article 21, Acid Deposition Control, has adopted the federal rules by referencing 40 CFR 72 through 78. These rules incorporate the requirements of Title IV of the 1990 Clean Air Act.

(4) Sulfur Dioxide Emission Allocations

The sulfur dioxide allowance allocation rule is set out in 40 CFR Part 73. The nation wide allocated sulfur dioxide emissions are 9,480,000 tons per year for 2000 through 2009. The 2010 cap is projected to reduce sulfur dioxide emissions to 8,900,000 tons per year. No allocations were made for new sources. New regulated power plants have to obtain sulfur dioxide emission allowances by purchasing them from preexisting power plants that received U.S. EPA allocations. A regulated power plant may have emission allowances to sell because the plant purchased newer, less polluting, equipment. The U.S. EPA keeps track of the transfer of all sulfur dioxide emission allocations in an official accounting system.

(5) Nitrogen Oxide Limitations

Pursuant to 40 CFR 76, nitrogen oxide (NO_X) emission limitations are applicable only to coal-fired utility and coal-fired substitution units that are subject to Phase I and Phase II sulfur dioxide reduction requirements.

(6) Copies of the Code of Federal Regulations (CFR) referenced in the permit may be obtained from:
Indiana Department of Environmental Management
Office of Air Quality, 100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
or The Government Printing Office, Washington, D.C. 20402
or on the Government Printing Office website at
http://www.access.gpo.gov/nara/cfr/index.html

(7) Permit Reviewer

Questions regarding this proposed AR Phase II permit revision can be directed to Iryn Calilung at the Indiana Department Environmental Management, Office of Air Quality, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 233-5692 or toll free at 1-800-451-6027 extension 3-5692.